

patent listed that is not in the English language. Two Japanese patents have been placed in the file but have not been considered.

A new Information Disclosure Statement and Form 1449 are transmitted herewith and an English-language translation of the abstract for JP409101994 and JP410078992. The Applicants respectfully request the Examiner's review and consideration of these references.

**Objection to the Specification**

In paragraph 2 of the Office Action, the Examiner has objected to the specification because Figures 6A-6C are not individually described in the Brief Description of the Drawings.

In response, the Applicants have amended the specification to individually describe Figures 6A-6C in the Brief Description of the Drawings.

**Objection to the Claims**

In paragraph 3 of the Office Action, the Examiner has objected to claim 60 for lacking an antecedent basis for "said coal."

In response, the Applicants have amended claim 60 to provide an antecedent basis for "coal."

**Claim Rejection under 35 U.S.C. § 112**

**Claims 72-74**

In paragraph 5 of the Office Action, the Examiner has rejected claims 72-74 for containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The Examiner states that claims 72-74 recite computer readable

program code and the specification does not include description that would enable one with ordinary skill in the art to make code.

The Applicants respectfully disagree and refer the Examiner to Figures 4 and 5 and page 10, lines 20 through page 11, line 2 of the specification and page 14, line 13 through page 15, line 12 of the specification, which provide support for claims 72-74. Page 10, lines 20 through page 11, line 2 of the specification describes a generic transformation mechanism represented by a function (f) a linear or non-linear function or a combination. Page 14, line 13 through page 15, line 12 of the specification describes the transformation function in a coal market where factors are stored in the server component and then retrieved during the auction to transform the bid.

#### **Claims 11, 31, 50-52 and 58**

The Examiner has rejected claims 11, 31, 50-52 and 58 as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 11, 31 and 50 have been amended and the Applicants respectfully request for a withdrawal of the rejection. Claims 51, 52 and 58 have been cancelled.

#### Claim Rejection under 35 U.S.C. § 101

#### **Claims 72-74**

Claims 72-74 stand rejected under 35 U.S.C. § 101 as being unpatentable because the claimed invention is directed to non-statutory subject matter. The Examiner states that a computer program must be claimed as a computer-readable medium encoded with a data structure. The Examiner also states that there must be positively recited in the body of the claim

at least one recitation defining structural and functional interrelationships between the data structure and the computer software and hardware components.

The Applicants have amended claims 72-74 to reflect that the computer program product comprises a computer readable medium. Thus, the Applicants respectfully assert, that in light of the amendments, the rejection under 35 U.S.C. § 101 should be withdrawn.

**Claims 1-20, 41-60, 69 and 71**

Claims 1-20, 41-60, 69 and 71 stand rejected under 35 U.S.C. 101 as being non-statutory subject matter. The Examiner states that the method claims do not claim a technological basis in the body of the claim.

The Applicants respectfully disagree with the Examiner's rejection of the claims as directed to non-statutory subject matter. Each of claims 1-20, 41-60, 69 and 71 are directed to an electronic online auction. An electronic online auction is not a "manipulation of an abstract idea" as the Examiner suggests. The law is clear that business methods, in and of themselves constitute statutory subject matter under 35 U.S.C. § 101. State St. Bank & Trust Co. v. Signature Fin. Group, Inc., 149 F.3d 1368 (Fed. Cir. 1998). Therefore, the Examiner's rejection of claims 1-20, 41-60, 69 and 71 under 35 U.S.C. § 101 should be withdrawn.

**Claim Rejection Under 35 U.S.C. § 103(a)**

**Claims 1-4, 6-7, 9-14, 16-17, 19-24, 26-27, 29-34, 36-37, 39-46, 48-49, 51-56, 58-59, 69 and 71-74**

Claims 1-4, 6-7, 9-14, 16-17, 19-24, 26-27, 29-34, 36-37, 39-46, 48-49, 51-56, 58-59, 69 and 71-74 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No.

6,026,383, issued to Ausubel (“Ausubel”), in view of U.S. Patent No. 5,715,402, issued to Popolo (“Popolo”).

The Examiner states that Ausubel discloses a method, system and computer program product on computer useable medium of conducting an electronic online auction between a plurality of potential bidders, the plurality of bidders competing for a lot having at least one product. Furthermore, the Examiner states that in Ausubel the received first bid information represents a first bid that is originally defined in the context of the first bidder, the stored information enabling a relative comparison of submitted bids. The Examiner explains that Ausubel discloses the functional equivalence to common competitive basis because it teaches a basis for auctions requiring common-value component valuation and the competitive nature of bids. Lastly, the Examiner states that because in Ausubel multiple bidders and multiple bids are transmitted, second bid information is transmitted.

The Examiner, however, states that Ausubel does not disclose enabling a second bidder to view or display a bid originally defined in a context of said first bidder in said context of said second bidder as a relative comparison.

Regarding Popolo, the Examiner states Popolo discloses that a second bidder may view or display a bid originally defined in a context of said first bidder in context of said second bidder as a relative comparison. The Examiner states that it would have been obvious to one with ordinary skill in the art to apply the disclosure in Popolo to Ausubel because Popolo teaches that bidders may require changing bids.

**A. The Examiner has failed to establish a *prima facie* case of obviousness**

In response, the Applicants respectfully assert that the pending claims are allowable over the references cited by the Examiner because the “three-prong test,” which must be met for a reference or a combination of references to establish a *prima facie* case of obviousness, has not been satisfied in the instant matter. The MPEP states, in relevant part:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all of the claim limitations.

MPEP § 2142. The Applicants respectfully assert that none of these criteria have been met.

**1. There was no express or implied motivation to combine the prior art references.**

There was no suggestion or motivation, in either Ausubel or in Popolo or common knowledge of the art, to modify or combine the references to arrive at the limitation of enabling a second bidder to view or display a bid originally defined in a context of said first bidder in said context of said second bidder as a relative comparison. The Examiner has the burden to show that the references expressly or impliedly suggest the claimed invention or present a convincing line of reasoning. MPEP § 706.02(j) The examiner may rely on common knowledge in the art which are “capable of instant and unquestionable demonstration of being ‘well known.’” MPEP § 2144.03. The Examiner has only stated that “it would have been obvious to one with ordinary skill in the art” to apply the disclosure in Popolo to Ausubel because Popolo teaches that bidders

may require changing bids. This statement does not show an expressed or implied suggestion or “well known” knowledge to combine the disclosures of Ausubel or Popolo. Therefore, the Examiner has failed to show an expressed or implied suggestion to combine the references and has failed to present a convincing line of reasoning.

**2. Ausubel and Popolo fail to teach or suggest all of the claim limitations**

Ausubel and Popolo fail to teach or suggest, either alone or in combination all of the claim limitations of claims 1, 21, 41, 69 and 72-74. All claim limitations must be taught or suggested by the prior art to establish a *prima facie* obviousness rejection. MPEP § 2143.03

Amended claim 1 is directed at a method of conducting an electronic online auction between a plurality of potential bidders, where the plurality of potential bidders compete for a lot having at least one product. The method comprises the steps of receiving first bid information for a lot from a first bidder, said received first bid information representing a first bid that is originally defined in a context of said first bidder, storing information reflective of said submitted first bid, said stored information enabling a relative comparison of submitted bids including said first bid on a common competitive basis, and transmitting second bid information defined in a context of a second bidder that is different than said context of said first bidder to said second bidder, said transmitted second bid information enabling said second bidder to view said first bid originally defined in said context of said first bidder in said context of said second bidder. The Applicants respectfully assert that Ausubel and Popolo fail to show, either alone or in combination, all of the features underlined in the paragraph set forth above.

Ausubel discloses a system and method for conducting an auction where bidders are provided with information concerning their competitors' bids during the auction. Ausubel, Col. 2, lines 54-57. This allows each bidder to "recognize the common-value component reflected in their competitor's bids" where common-value is the component of value which is in common to all the bidders. Ausubel, Col. 1, lines 22-23; Col. 2, lines 37-38. However, as described in the specification of the Application, the relative comparison of submitted bids on a common competitive basis is accomplished by comparing the submitted bids by comparable units of measure. See, Application, p. 10, lines 3-4. The Applicants respectfully assert that providing bidders with information that allows the bidders to determine the common-value component between bids is not the same or equivalent to enabling a relative comparison of submitted bids on a common competitive basis.

Ausubel, furthermore, fails to disclose transmitting second bid information defined in a context of a second bidder that is different than said context of said first bidder to said second bidder. Ausubel discloses the transmission of information such as current lot number, current round number, the current price for the current round, the bidder number of the bidder at each respective bid entry terminal, the bid history prior to the current round, etc. Ausubel, Col. 6, lines 20-25. Transmitting the current price for the current round is very different from transmitting second bid information defined in a context of a second bidder that is different than said context of said first bidder.

Popolo discloses a method and system for conducting electronic negotiations of the spot sale of metals, where the seller can accept or reject the bid submitted by an individual bidder.

During the bidding process, the bidder can review all items for sale and items receiving bids. Popolo, Col. 14, lines 53-55. If the bidder chooses to view the items receiving bid, the bidder will view only those items in inventory previously bid by the subscriber. Popolo does not enable the second bidder to view the first bid where the first bid was received from a first bidder and defined in the context of the first bidder. The Applicants respectfully assert that viewing items bid on previously by the bidder is very different from a second bidder viewing the bid of a first bidder defined in the context of the second bidder.

3. **The Examiner's conclusion of obviousness is based on an improper rational because Ausubel and Popolo teach away from the claimed invention**

Ausubel teaches away from the disclosure of Popolo. Ausubel discloses a system and method for conducting an auction where the price paid by bidders is independent of their own bids and where bidders are provided with information concerning their competitors' bids during the auction. Ausubel, Col. 2, lines 54-57. “[E]ach bidder is assigned the demanded quantity at the current price.” Ausubel, Col. 7, lines 25-45. The current price is not necessarily the bidder's bid. In contrast, Popolo discloses a method and system for conducting electronic negotiations of the spot sale of metals where the seller can accept or reject the bid submitted by an individual bidder. Popolo, Col. 1, lines 5-6. In Popolo, the seller must decide whether to accept or reject a individual bidder's bid. Popolo, Col. 13, lines 35-50. “[A]ccepting any one bid, implies that all other bids for the same unit are rejected” with rejection messages sent to the unsuccessful bidders. Popolo, Col. 14, lines 36-39. Combining Ausubel and Popolo would result in an

invention where the accepted bid price for each bidder is the “current price” and the accepted bid is also only the accepted bidder’s bid for that individual bidder.

The Applicants respectfully assert that Ausubel and Popolo fail to show, either alone or in combination, all of the claim limitations of claim 1. Likewise Ausubel and Popolo fail to show, either alone or in combination, all of the claim limitations of claims 21, 41, 69 and 72-74, which include the same claim limitations as claim 1. Additionally, there is nothing to suggest or motivate one skilled in the art to modify or combine Ausubel and Popolo to arrive at the present invention. Nor is there any reasonable expectation of success in modifying or combining Ausubel or Popolo to arrive at the present invention.

Claims 2-4, 7-6, 9-14, 16-17, 19 depend directly or indirectly from independent claim 1. Because these claims depend from an allowable base claim, such claims are similarly allowable. Claims 22-24, 26-27, 29-34, 36-37 and 39 depend directly or indirectly from independent claim 21. Because these claims depend from an allowable base claim, such claims are similarly allowable. Claims 42-46, 48-49, 53-56, and 59 depend directly or indirectly from independent claim 41. Because these claims depend from an allowable base claim, such claims are similarly allowable.

#### **Claims 5, 15, 25, 35, 50 and 60**

Claims 5, 15, 25, 35, 50 and 60 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Ausubel in view of Popolo as applied to claims 1-4, 6-7, 9-14, 16-17, 19-24, 26-27, 29-34, 36-37, 39-46, 48-49, 51-56, 58-59, 69 and 71-74 and further in view of U.S. Patent

No. 3,637,464, issued to Walsh (“Walsh”), and U.S. Patent No. 5,794,207, issued to Walker et al. (“Walker”).

Claims 5 and 15, claims 25 and 35, and claims 50 and 60 depend from independent claims 1, 21 and 41, respectively, which the Applicants respectfully assert, for the reasons noted above, are patentable over Ausubel in view of Popolo. Additionally, Walsh and Walker fail to disclose any of the limitations that are not disclosed in Ausubel and Popolo, as discussed above, but are required by claims 1, 21 and 41. Walsh discloses a method to produce coke with low sulfur and ash contents. Walsh, Col. 1, lines 2-5. Walker discloses a method an apparatus for a buyer-driven market to communicate a binding purchase offer to potential sellers and for sellers to bind a buyer to a contract based on the purchase offer. Walker, Col. 8, lines 27-34. Coal is given as an example of a buyer-driven market commodity. Walker, Col. 2, lines 53-54. Therefore, it is submitted that claims 5, 15, 25, 35, 50 and 60 are allowable because such claims depend directly or indirectly from an allowable base claim.

### **CONCLUSION**

In view of the foregoing amendments and remarks, it is submitted that pending independent claims 1, 21, 41, 69, and 72-74 are in condition for allowance. In addition, it is submitted that dependent claims 2-20, 22-40, 42-50, 53-57, 59-60 and 71 are allowable, because such claims depend from an allowable base claim. Accordingly, reconsideration and allowance of claims 1-50, 53-57, 59-60, 71 and 72-74 are requested.

Furthermore, the Applicants submit that no new matter has been introduced into the amendments presented herein. Accordingly, reconsideration of the rejections presented in the

PATENT  
Attorney Docket No. 046700-5005  
Page 16 of 21

Office Action mailed January 30, 2003 and passage to allowance of all pending claims at an early date are earnestly solicited. The Examiner is invited to contact the undersigned at 215-963-4753 to discuss any matter concerning this Application.

**Except** for issue fees payable under 37 C.F.R. §1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this Application including fees due under 37 C.F.R. §§1.16 and 1.17 which may be required, including any required extension of time fees, or credit any overpayment to Deposit Account No. **50-0310**.

Respectfully submitted,

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Date

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**Marked-up Version of Specification under 37 CFR § 1.121(C)(1)**

Fig. 5 illustrates a bid transformation function; [and]

**Fig. 6A illustrates a bid history chart based upon buyer and supplier viewpoints;**

**Fig. 6B illustrates a bid history chart based upon buyer and supplier viewpoints; and**

[Figs] **Fig. [6A-]6C [illustrate]illustrates a** bid history [charts] **chart** based upon buyer and supplier viewpoints.

**Marked-up Version of Claims under 37 CFR § 1.121(C)(1)**

11. The method of claim [+]9, wherein step (b) further [comprising the step of (d)]comprises generating detransformed bid information, and wherein step (c) comprises the step of transmitting said detransformed bid information to said second bidder.
31. The system of claim [21,]29, further comprising means for generating detransformed bid information, [and]wherein said transmitted second bid information [is]comprises detransformed bid information.
50. The method of claim 48, wherein step (a) comprises the step of transmitting a price per physical measure of weight or volume for a lot of coal [unique to]defined by said first bidder.
59. The method of claim [58,]41, wherein step (b) comprises the step of receiving a bid price in a local currency of said first bidder.
60. The method of claim [58,]50, wherein step (b) comprises the step of receiving a price per physical measure of weight or volume[,wherein a lot of coal uniquely defined by said first bidder].
72. A computer program product for [enabling]use by a processor in a computer system to process bidding information in an auction between a plurality of bidders, said computer program product comprising:  
a computer [usable]readable medium having a computer readable program code

embodied in said medium for causing an application program to execute on the computer system, said computer readable program code comprising

a first computer readable program code [enabling the computer system] to transmit first bid information for a lot having at least one product to an auction server, said transmitted first bid information representing a first bid that is originally defined in a context of a first bidder, said transmitted first bid information being used by the auction server in a comparison of said first bid with other submitted bids, said other submitted bids originally defined in contexts different from said context of said first bidder;

a second computer readable program code [enabling the computer system] to receive second bid information from said auction server, said received second bid information representing a second bid that was submitted by a second bidder, said second bid being originally defined in a context of said second bidder that is different from said context of said first bidder; and

a third computer readable program code [enabling the computer system] to display a relative comparison of said first bid and said second bid in a context of said first bidder.

73. A computer program product for enabling a processor in a computer system to process bidding information in an auction between a plurality of bidders, said computer program product comprising:

a computer [~~usable~~]**readable** medium having a computer readable program code embodied in said medium for causing an application program to execute on the computer system, said computer readable program code comprising

a first computer readable program code [~~enabling the computer system~~] to receive bid information including a bid from a bidder for a lot;

a second computer readable program code [~~enabling the computer system~~] to generate a transformed bid using said bid information including said bid; and

a third computer readable program code [~~enabling the computer system~~] to[-said] transmit said transformed bid to an auction server, said transformed bid being used by said auction server to generate a relative comparison of bids on a common competitive basis, said bids originally defined in at least two different bidder-specific contexts.

74. A computer program product for enabling a processor in a computer system to process bidding information in an auction between a plurality of bidders, said computer program product comprising:

a computer [~~usable~~]**readable** medium having a computer readable program code embodied in said medium for causing an application program to execute on the computer system, said computer readable program code comprising

a first computer readable program code [~~enabling the computer system~~] to

receive first bid information for a lot having at least one product from a first bidder, said received first bid information representing a first bid that is originally defined in a context of said first bidder;

a second computer readable program code [enabling the computer system] to store information reflective of said submitted first bid, said stored information enabling a relative comparison of submitted bids including said first bid on a common competitive basis; and

a third computer readable program code for [enabling the computer system] to transmit second bid information defined in a context of a second bidder that is different than said context of said first bidder to said second bidder, said transmitted second bid information enabling said second bidder to view said first bid originally defined in said context of said first bidder in said context of said second bidder.